

Message Text

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PAGE 01 BONN 11231 061722Z

51

ACTION EUR-25

INFO OCT-01 ADP-00 AID-20 CIAE-00 COME-00 EB-11 FRB-02

INR-10 NSAE-00 RSC-01 TRSE-00 XMB-07 OPIC-12 CIEP-02

LAB-06 SIL-01 OMB-01 DODE-00 PM-07 H-03 L-03 NSC-10

PA-03 PRS-01 SS-15 USIA-15 CEA-02 STR-08 SAJ-01 IO-13

ACDA-19 RSR-01 /200 W

----- 017984

R 061715Z AUG 73

FM AMEMBASSY BONN

TO SECSTATE WASHDC 6705

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DEPARTMENT PASS TREASURY AND FEDERAL RESERVE

E.O. 11652: N/A

TAGS: EFIN, GW

SUBJECT: BUNDESBANK MONETARY RESERVES

1. BUNDESBANK MONETARY RESERVES INCREASED BY DM 1.6 BILLION FOR THE PERIOD JULY 24-31, LARGELY REFLECTING A DM 1.719 BILLION INCREASE IN THE BANK'S HOLDINGS OF LIQUID FOREIGN EXCHANGE.

2. ACCORDING TO THE GERMAN PRESS, BUNDESBANK INTERVENTION IN DOLLARS AMOUNTED TO ABOUT \$45 MILLION (APPROXIMATELY DM 104 MILLION) DURING THIS PERIOD. BUNDESBANK PURCHASES OF JOINT FLOAT CURRENCIES WAS NOT SPECIFIED, BUT APPARENTLY WAS QUITE LIMITED. THESE PRESS FIGURES INCLUDE ONLY BUNDESBANK INTERVENTION DURING THE FIXING HOUR.

3. THUS, THERE IS PRESS SPECULATION THAT THE BUNDESBANK MAY HAVE INTERVENED OUTSIDE THE FIXING, LIMITED OFFICIAL USE

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PAGE 02 BONN 11231 061722Z

UNLESS FOREIGN EXCHANGE TRANSACTIONS OUTSIDE THE

MARKET (SUCH AS TRANSACTIONS WITH GERMAN PUBLIC AUTHORITIES) FOR WHICH NO DATA ARE AVAILABLE WERE EXTRAORDINARILY HIGH.

4. IN THE FULL MONTH OF JULY BUNDESBANK MONETARY RESERVES ROSE BY DM 4.9 BILLION REACHING THE RECORD LEVEL OF DM 94.7 BILLION. DM 2.1 BILLION WERE ACQUIRED IN THE FIRST WEEK OF JULY, DM 0.5 BILLION IN THE SECOND, DM 0.7 BILLION IN THE THIRD AND THE ABOVE DM 1.6 BILLION IN THE FOURTH WEEK. THE DM 2.1 BILLION ACQUIRED IN THE FIRST WEEK OF JULY , HOWEVER, INCLUDED THE LARGE BUNDESBANK PURCHASES OF FOREIGN EXCHANGE ON JUNE 28 (BEFORE THE DM REVALUATION) DUE TO THE TWO-DAY DELIVERY PERIOD IN FOREIGN EXCHANGE TRANSACTIONS.
HILLENBRAND

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EO Systematic Review
30 JUN 2005

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